

July 1, 2006

Business Opportunity Rule, R511993

Federal Trade Commission/Office of the Secretary  
Room H-135 (Annex W)  
600 Pennsylvania Avenue, NW  
Washington DC 20580

By: John Clausen, Quixtar IBO

**COMMENTS:**

Before I start, I wish to express my initial reaction to this and surprise that the Quixtar business would be required to meet these new rules. I have was an Amway distributor first since May 1996, then when Quixtar opened in September 1999 I was grandfathered into this new business. What a wonderful gift that was. I enjoyed the Amway business, but the Quixtar is fantastic. My entire time with both businesses has always been positive. They are the most honest and high integrity filled business out there in the direct selling field. I understand there are many unscrupulous businesses out there, I hate to have the most honest one tossed in there with others that might need this type of regulation.

**Personal Experience:**

I have been in Amway since 1996, Quixtar since it opened in 1999. Both were great businesses.

Over the years I have sponsored a handful of other IBO's, I have not really applied myself like I should have. I fully understand that this business does not grow by itself. It does provide me an alternative to create income when I choose to "work" at the business. I have not done that yet. I am what you might call a casual IBO. I love the products and the 100% money back, they pay for return shipping on their products, 180 day return time. Where else you going to find that. I sponsor about 2-3 IBO's or customers a year now, I plan to work harder

When I registered I did receive enough information to make an informed decision. My sponsor was very forthright with information.

When I show the business plan to others, I too probably give more information than I might have to. I explain as much as I can and where to find more information if desired. I fully explain to prospects that it is a simple business to understand, but not easy. It takes effort and education. I explain that there are many have made six digits and there are many more that do not.

It costs about \$50-120. to register as an IBO. It depends if they purchase the start up product pack or not, and if they want to start the business system. This business development system is books, tapes and a webpage for about \$65. per month. I explain it is optional and can be cancelled at anytime. I am on the program and love it. I would never have started to read a book a month about personal development without this program.

#### Requirement of a 7-day Waiting Period:

I see this could be a problem, but usually by the time I show the business plan, do a follow and answer more questions, usually a minimum of 3-5 days has gone by sometimes longer. I don't rush this process unless the prospect wants to, and even then I make sure they know as much as they can absorb. Sometimes it is important to register soon because the prospect has others they have in mind to show and I help them do this.

I don't see a benefit of a mandatory 7 day waiting period, it could really be a logistical problem for really active IBO's trying to keep track of the days. I know the I.N.A. organization within the Quixtar business stresses totally honesty and up front information.

I am not sure how this would affect my profitability as at the time I do not have a large business yet. With a large business I could see how it will take more time away from showing the business and helping others get

Requirement to provide references:

In order for me to meet a require like this I would have to constantly be updating a list of name, getting their permission to hand their name and phone numbers out. This does not seem right.

In turn I don't like the idea of some unknown person that some other IBO gives my name out without my knowledge, or knowing the person. My other career is in Law Enforcement and keeping my identity concealed is important for mine and my family's security.

Most of the time our prospects are invited to a home information session or another larger local area meeting where they are allowed to mingle and meet others who are IBO's and other prospects. There is a lot of interaction and questions asked at these open meetings. We hide nothing in our organization.

Quixtar had a real good rules of compliance enforcement section. They do not tolerate inappropriate behavior of IBO's that will cause problems such as this proposed legal requirements. They are very effective.

Requirement to provide a Litigation List:

This would be nuts. I don't even know where to look for this information, and if I get asked that I supposed I could have them check Google for information or call the corporation directly. I am sure Quixtar has this information and would provide if asked. I have not needed to ask.

Requirement for Specific Earnings Disclosures:

This I think would be too time consuming, I offer as much information that is needed, I don't hide anything. I use the SA 4400 form plus another document that the INA organization created that shows several different scenarios. I think the way we do business now is more

Requirement for Financial Substantiation:

I provide financial honestly if asked. I am not that big of a business right now, because I have not put the effort in. That is my problem not the corporations.

In closing I would really like to stress that it would be unfair to penalize a well run, honest and of high integrity type of business as is Quixtar.com when other less than honest direct selling businesses out there give us all a bad name. I suspect there have been people within Quixtar that are not completely honest. There will always be a few to content with. But overall the Quixtar business is wonderful and these regulations if implemented would really make it unattractive because of

Please re-think this, and reword it so honest direct selling companies are not adversely affected by it.

Thank you for your consideration of my input.

You may contact me if you desire.

John Clausen